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EASTERN EUROPEAN INTELLIGENCER

OC1 #0708/68
23 April 1968

Czech Sounds Out US On Loan

A Czechoslovak economist with close connections to Vice Premier Ota Sik has queried the DCM in Prague on the possibility of a US loan to Prague. Describing his question as "personal," the economist said that the reformers badly need a quick and very visible economic success, because the "conservatives" are waiting in the wings for the first chance to restore "discipline" to Czechoslovak society.

The source told the DCM that the "loan" could be used for the acquisition of Western consumer goods, thus demonstrating to the average Czech what he has been missing.

The economist also stated flatly that the Russians at Dresden named two Czechs as unacceptable to them: Sik and Smrkovsky. He thought that the subsequent "cooptation" of Smrkovsky to the party presidium was a courageous move by Dubcek. He said that Sik was somewhat disappointed that he was not named to the presidium, but the source thought this was a tactical move.

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COMMENT: Several other Czechoslovak economic officials have recently stated that the reformers in Czechoslovakia must "produce" in the economic field lest their failures be exploited by the party conservatives to return to power.

Czechoslovakia Planning Economic Moves Toward the West

"Czechoslovakia would be willing to recognize the Common Market if this proved advantageous to it," according to Vaclav Vales, Prague's new Minister of Foreign Trade. Vales said that bilateral talks which already have been held with France, Italy and West Germany thru EEC members, have been favorable.

Although "socialist countries are not ruled out," Vales said that unofficial contacts "had been established with trade partners in the capitalist countries concerning the possibility of a loan." But he said no official contacts have begun. "We must reckon well," he said, "because if we take a loan it must be for the elimination of causes of present difficulties and not for the elimination of their consequences."

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Vales predicted that when the situation is suitable, Czechoslovakia will try to take a "joint action" with the other socialist countries aimed at the convertibility of the crown. "But if there is no prospect for joint steps, it will start...alone," he said.

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COMMENT: During this same press conference Vales deprecated the usefulness of CEMA.

Polish Deputy Ministers' Positions Clarified

Hardline Deputy Defense Minister Korczynski apparently will remain in charge of the ministry's territorial defense units, i.e. that part of the Polish military uncommitted to the Warsaw Pact. Since there had been traditionally only three Deputy Defense Ministers, the recent appointment of three new men to these posts suggested that Korczynski may be dropped. Korczynski, however, was identified by title as participating in the 19-20 April visit to Poland by Pact commander Yakubovskiy.

Similarly, the positions of veteran Deputy Foreign Ministers Winiewicz and Naszkowski had been in doubt after the appointment of two new deputies.

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the moderate, pro-Western Winiewicz has been identified as acting Foreign Minister in the absence of his ailing boss Rapacki; normally Naszkowski took over Rapacki's duties.

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Poles Kick Off Party Congress Preparations

The preparatory committee for the Fifth Congress of the Polish party met in Warsaw on 22 April under Gomulka's chairmanship. The brief radio Warsaw announcement added that the meeting discussed the draft of the pre-congress theses, and that Gomulka made a speech.

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COMMENT: This is the first known meeting of the 88-member committee since it was created at the 11th party plenum held

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on 28-29 February. The committee includes the entire politburo, secretariat, and most of the central committee.

The plenum also set the date for the congress rather vaguely "in the last quarter of this year." There have been rumors since then that it might be held earlier within that period, rather than in December as had been previously reported by various sources. In any event, contending party factions can be expected to use the intervening period to gain control of the party apparatus and thus influence the selection of delegates to the congress.

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Prague Prosecutors Revolt

The immediate recall of all deputies of the Prosecutor General and of other top officials in this office has been demanded by officials of the Prague prosecutors offices.

A declaration issued as a result of a recent meeting of dissident prosecutors says that the top officials have lost the confidence of their staff due to their incompetence. The statement urges that the capabilities of all leading officials be "verified" and personnel changes made wherever necessary. A special look will be taken at those who were involved in political trials.

The declaration criticizes the passivity of the leaders of the Prosecutor General's office, in particular their insensitivity to justified attacks and their failure to begin work on an "action program."

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COMMENT: The Prosecutor General is immune from these attacks because he is new, appointed only a month ago after his predecessor was driven from office by criticism similar to that above.

Hungarians Reject US Management Seminar for Budapest Trade Fair

Foreign ministry officials have confirmed Hungary's refusal to allow a US-sponsored management seminar at the Budapest Trade Fair in May.

Last week Fair authorities announced their rejection and the Embassy sought clarification from the Hungarian foreign

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ministry. In an obviously coordinated reply, two foreign ministry officials used the same language in their refusals, maintaining that lectures--"propagandizing goods"--were not consistent with the object of the Fair, to exhibit goods.

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COMMENT: This refusal comes as a surprise. Earlier negotiations on the management seminar were delayed by practical problems such as quarters and content. The foreign ministry's negative attitude may be related to the Radvanyi article in LIFE which attacked high foreign ministry personalities. If so, it would be another victory for anti-US elements in the party hierarchy who have used every possible excuse to eliminate visible forms of cooperation with the US.

Soviet Ambassador in Poland Waxes Lyrical

Speaking in Warsaw on the 23rd anniversary of the Polish-Soviet alliance treaty, Ambassador Aristov said among other things: "During more than seven years of my mission as a representative of the Soviet state in Poland, it has never happened that the Soviet Government and the CPSU Central Committee has failed to provide help or advice as regards any request or question from the Polish Government..../At the same time/ not a single case has ever been observed of /the Soviets/ violating even to the slightest degree the sovereignty and independence of the Polish State. We are deeply in favor of scrupulous observance of independence, sovereignty, and equality between our parties and states."

"Dear friends,...I feel joy when I listen to the music of Chopin, when I think of the greatness of Copernicus. When I read Mickiewicz I admire his love of the motherland, his devotion to his people....We are glad that the Polish party and the loyal son of the Polish people, Comrade Wladyslaw Gomulka, with great care guards our friendship against all kinds of reactionary forces which are trying to sow distrust between us...."

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COMMENT: This unprecedented display of defensiveness and verbal slobber is the first public indication of the evident Soviet concern over the outcome of the Polish party struggle, and clearly confirms that Moscow is rooting for Gomulka.

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OCI #0707/68
22 April 1968Warsaw Pact Chief Yakubovsky Visits Poland, East Germany and Bulgaria

On 19 April Soviet Marshal Ivan Yakubovsky, Commander of the Warsaw Pact forces, began a series of visits to Poland, East Germany, and Bulgaria. In Poland and East Germany he was received by the party bosses as well as military leaders. The East German announcement of his visit said that Yakubovsky and Ulbricht talked about "topical questions concerning a further increase in the defense preparedness" of the Warsaw Pact. Yakubovsky arrived in Sofia on 21 April and probably has been talking to Zhivkov.

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COMMENT: This trip looks like a check with the most reliable of the Warsaw Pact members. It conspicuously excludes Czechoslovakia, Hungary and Rumania. In Poland, Yakubovsky probably wanted to meet the new team running the defense ministry; one of Poland's new deputy Defense Ministers has probably taken command of Poland's Warsaw Pact forces. East Germany is seriously concerned about developments in Czechoslovakia and Poland, in addition to West Germany's diplomatic drive to the East. Presumably these subjects were covered in those talks. We should be getting more on the Bulgarian visit soon.

Delegations Arrive for Budapest Preparatory Commission Session

Nine delegations have already arrived in Budapest to attend the session of the International Communist Conference's Preparatory commission which begins on 24 April. So far the only Eastern European delegations present in Budapest are from Czechoslovakia and Bulgaria. The Soviet delegation arrived on 21 April.

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COMMENT: The large number of early arrivals suggests that there will be some heavy backstage politicking going on before the conference.

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Yugoslav Foreign Minister to Visit East Germany

Yugoslav Foreign Minister Marko Nikezic will visit the GDR this week, according to the East German press.

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COMMENT: The visit apparently was arranged rather quickly and may account for Nikezic's sudden return from accompanying Tito on the latter's Asian tour. Since East German Foreign Minister Winzer visited Belgrade last December, the Ulbricht regime has shown concern over the resumption of West German-Yugoslav diplomatic relations, Yugoslavia's absence from the Budapest meeting, and obvious Yugoslav satisfaction over events in Czechoslovakia. The Nikezic visit may be intended to improve the atmosphere, but probably will not resolve any of the basic ideological differences between the two regimes.

Gomulka Wants Expanded Polish-US Technical Exchanges

Party boss Gomulka is very interested not only in the continuation but the expansion of the present Polish-US scientific and technological exchange programs, according to Wroclaw province local government head, Ostapczuk. Gomulka reportedly made this pitch in "very strong terms" at a recent meeting at central committee headquarters in Warsaw, which Ostapczuk attended.

Ostapczuk admitted that the present political crisis in Poland was "very bad" for exchanges in the fields of philosophy, sociology, and political science, but he believed purely cultural exchanges would not be affected. 25X1
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COMMENT: Despite regime-imposed travel restrictions, footdragging, and indecision at the policymaking levels because of the political turmoil, established Polish-US exchange programs have been relatively little affected. If Gomulka's statement is to be taken at face value, he does not intend to make any policy changes in this regard if he can help it. Gomulka's statement is in line with his consistent view that non-political relations with the US should be utilized for Poland's benefit.

Sen. Kennedy Declines Berlin May Day Fete Invitation

Senator Robert Kennedy declined an invitation to address the Berlin population at the annual May Day celebration. West Berlin Governing Mayor Klaus Schuetz had approached Senator Kennedy informally some time ago and extended a written invitation about two weeks ago. Senator Kennedy said he would be unable to come to Berlin because of his campaign in the Indiana primary.

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